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July 10, 2004

Mr. Paul Baker
State of Utah
Utah - Division of Oil, Gas & Mining (UDOGM)
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

RE: Lisbon Valley Mining Co. LLC (Summo USA Corporation - Operator)
Request for Crusher Laydown Area - July 2004
Lisbon Valley Project

Mr. Baker:

Per our phone conversation this week (July 6/2004), you asked that I provide you with a formal letter (and map) as a follow-up to my E-Mail to Wayne Hedberg dated June 30, 2004.

As you are aware, in April of 2004, Lisbon Valley Mining Company LLC (LVMC-LLC) purchased a crushing plant from Equatorial Mining Company. The terms of the sale required dismantle and removal from the original mine site near Tonopah, NV. Rather than pay to have it stored and moved again when construction was scheduled to commence, LVMC-LLC decided to move the facility to Lisbon Valley and store it (on private ground controlled by LVMC-LLC) until a construction decision could be made. This relocation was contracted to be arranged by Merit Consultants of Vancouver, Canada.

In order to properly store the crusher, Merit Consultants designated an area (~6.42 acres) in the currently permitted Leach Pad processing site for temporary storage as this would require no additional construction/disturbance and would require the least amount of movement during set-up. In doing so, they also did some site grading (for stormwater management/control) and installed a security station to ensure the equipment was not vandalized or stolen. In hindsight, UDOGM should have been made aware of this activity prior to storage.

LVMC-LLC wishes to ensure that the site is covered under their existing Reclamation Contract, and wishes to provide financial assurance that the site will be reclaimed. The site is located in the SW 1/4 of Section 25, Township 30 South, Range 25 East, San Juan County, Utah (See Attached Map with Sketch of Laydown Area).

Below are reclamation cost estimates for the area:

- Grade and apply 12 inches of Topsoil	10,375.60 CY @ \$1.25/CY	= \$12,947
- Scarify Area	6.42 acres @ \$174/acre	= 1,117
- Seed Area	6.42 acres @200/acre	= 1,284
- Tent Removal (Lump Sum)		= 1,000

Subtotal = \$16,384

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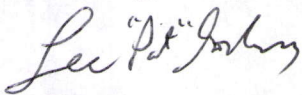
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These numbers and cost estimates generally conform to previous estimates submitted to and approved by UDOGM during mine permitting efforts. It is assumed that they will need to be confirmed and that some sort of escalation/inflation factor will need to be included. Although, the three year period used for mining reclamation may not be appropriate as this storage is temporary?

After you have reviewed this notification, please feel free to call me at my office so that we may formalize a Reclamation Contract Amendment and get the appropriate, agreed upon amount, posted with your Department.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lee 'Pat' Gochnour".

Lee "Pat" Gochnour
Consultant to LVMC-LLC

Attachment (1)

cc: Greg Hahn - LVMC-LLC

